

Louisiana Public Service Commission

215 St. Ann Drive, Suite 3
Mandeville, La 70471

Exec-2007-007359

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JAY BLOSSMAN
Chairman

First District
(985) 624-4660
(985) 624-4470 Fax
1-800-228-9368

June 28, 2007

Samuel W. Bodman
Secretary of Energy
U.S. Department of Energy
1000 Independence Ave., SW
Washington, DC 20585
lgprogram@hq.doe.gov

RE: RIN 1901-AB21 Comments on Proposed Loan Guarantee Program Rules

Dear Secretary Bodman:

The Louisiana Public Service Commission fully supports Title XVII of the Energy Policy Act of 2005. As public utility commissioners, we are tasked with ensuring consumers have access to safe, reliable and affordable electricity. We are uniquely situated to assess the costs and benefits of programs which seek to promote technologies that avoid, reduce or sequester greenhouse gas emissions - technologies supported by Title XVII of the Energy Policy Act of 2005.

The commercialization and deployment of advanced energy sources, such as renewable, clean coal and advanced nuclear generation technologies, is vital to meeting the country's growing demand for electricity while responding to increasing public interest in addressing climate change. Without state and federal policies that help secure financing, these cleaner technologies will not get built.

Many states have policies in place promoting renewable generation. There are policies in place (legislation and/or regulation) in Florida, Georgia, Louisiana, South Carolina, Texas, Virginia and several other states that support construction of generation technologies including or specifically nuclear energy. Policies to support the development of generation are under development in North Carolina and possibly other states.

The federal loan guarantee program was intended to support the deployment of new technologies that reduce, avoid or sequester greenhouse gas emissions by providing a guarantee for up to 80 percent of project costs. Congress has communicated that when passing this provision it anticipated at least 20 percent of a qualifying project's costs would be financed with developer's equity. Thus, a loan guarantee should cover all debt up to 80 percent of project costs.

This is a vital program to support construction of advanced energy technologies because loan guarantees spread the risk of building these new technologies among consumers, electric company shareholders and the federal government. Ultimately, loan guarantees reduce the cost of electricity to consumers from these new, clean technologies.

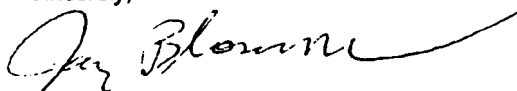
In the Department of Energy's May 16 Notice of Proposed Rulemaking, rules are suggested that only cover 90 percent of a project's debt. This requirement combined with other provisions in the draft

rules would make the loan guarantee program very difficult to use, and therefore will not encourage the amount of clean energy construction that this country will require.

We urge the Administration to implement a workable loan guarantee program that will, in fact, accomplish the deployment and commercialization of advanced technologies that society requires for a diverse energy supply system that meets the needs of our citizens in a reliable, affordable and environmentally responsible way. We urge the Administration to implement the loan guarantee program the way Congress intended it to work, allowing coverage of all debt up to 80 percent of a project's costs.

States are stepping up to do our part to encourage construction of advanced, clean energy technologies. It is time the federal government do its part by implementing Title XVII as the workable loan guarantee program it was intended to be.

Sincerely,

A handwritten signature in cursive script, appearing to read "Jay Blossman", with a long horizontal flourish extending to the right.

Jay Blossman, Chairman
Louisiana Public Service Commission